

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Matanuska-Susitna Borough****Project Title:**

Matanuska-Susitna Borough - Southcentral Rail Extension - Port MacKenzie to Mainline

Legislator Name: Senator Green**Funding Amount:** \$ 12,000,000**House District:** 70**Brief Summary:**

Provide funding to complete an Environmental Impact Statement (EIS) to construct a rail line from Port MacKenzie, 43 miles, to the Alaska Railroad main line.

Funding Plan:**Type of Need:** Ongoing Need**Prior Funding to Date:**

Alaska Rail Road Corporation

Other Funding Requests:

None

Project Description:

EIS funding will provide for a legacy rail transportation project to move ahead that will facilitate Southcentral and Interior Alaska resource and economic development. The project will improve access and financial feasibility for developing limestone, coal, and strategic minerals, as well as enabling Port MacKenzie to be the preferred port for shipment of coal to the Agrium Gasification Plant in Nikiski. Immediate funding of the EIS will allow the project to move forward so that it can be completed in time to meet the Kenai coal gasification project needs.

The Environmental Impact Statement will enable the rail extension project to move forward. This project will significantly assist the Kenai Gasification Project (KGP), increase natural resource development in Interior and Southcentral Alaska, expand employment and the availability of high paying jobs statewide, increase the state's industrial tax base, and support natural gas pipeline construction and supply. In order to meet the KGP coal transportation needs, the rail extension must be completed by the 2011-2012 timeframe. This is a relatively tight timeframe, which includes completion of pre-design and EIS work in the 2007-2008 period, design work in the 2008-2009 period, construction in the 2009-2011 period, and begins operations in the 2011-2012 period. To meet this timeframe, the EIS work must start this summer.

For use by Co-chair Staff Only:

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Palmer, Alaska 99645